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CENTRAL INTELLIGENCE AGENCY INFORMATION FROM FOREIGN DOCUMENTS OR RADIO BROADCASTS REPORT

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COUNTRY

Bulgaria

DATE OF INFORMATION

CD NO.

SUBJECT

Economic - Fiscal, production credit

1952

HOW

PUBLISHED

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Daily newspaper

DATE DIST.

May 1951

WHERE

Sofia **PUBLISHED**

NO. OF PAGES

DATE

PUBLISHED

2, 9 Mar 1951

SUPPLEMENT TO

LANGUAGE

Bulgarian

REPORT NO.

THIS IS UNEVALUATED INFORMATION

SOURCE

Izgrev.

EXPAND CREDIT FACILITIES

EXPLAIN PLANNED CREDIT SYSTEM -- Sofia, Izgrev, 9 Mar 51

The decree on the reorganization of the banking system is designed to satisfy the growing demands of industrial enterprises for short-term-credit loans according to plan. It encourages the full utilization of internal resources, the speedy turnover of goods and materials, the economic use of raw materials, etc. It also counteracts any diversion of funds by promptly checking production flaws, and thus upholds the financial discipline of enterprises. Enterprises requesting a loan are required to submit early applications to be included in the credit rlan of the particular bank.

The applications should be based on the production-financing and tradefinancing plans of the enterprise, whereas the bank collects direct information or applies to the proper organization supervising the enterprise. A strict analysis of financial rescurces should be provided. The bank policy in every case is to limit the loans and encourage the enterprise to expand its activity with the smallest possible funds. The banks will not extend credit for any production not included in the national economic plan. The decree will help to establish a close connection between production planning, transportation, and distribution on the one hand, and credit planning on the other.

ESTABLISH MUTUAL ASSISTANCE FUNDS -- Sofia, Izgrev, 2 Mar 51

The Council of Ministers has decreed the establishment of mutual-assistance associations /credit funds in industrial enterprises and institutions. Membership is voluntary.

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